

PSJ2 Exh 1

From: Livingston, Kristin </O=ENDO PHARMACEUTICALS INC/OU=ENDO/CN=RECIPIENTS/CN=LIVINGSTON.KRISTIN>
To: Brady, Dorothy M.; Ahdieh, Harry; Gallion, Kirk; Kerwin, Rosemary; Kurkimilis, Elisabeth; Lander, MaryEllen; Livingston, Kristin; Ma, Tina; mpadams@newdrugservices.com; Platt, Rebecca; Raudenbush, MaryAlice; Smith Carliss, Richard; Tom Sciascia (E-mail); Travers, Debbie; Utecht, Ken; Wydro, Phillip
Sent: 3/25/2002 7:39:44 PM
Subject: Risk Management Presentation
Attachments: EN3202 Risk Management.ppt

Dear Claims Subteam Members:

Attached is the Risk Management presentation that was presented to the Executive Committee (from Debbie).

Kris



EN3202 Risk Management.ppt

Deb

Debbie Travers
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-----Original Message-----

From: Livingston, Kristin
Sent: Monday, March 25, 2002 10:38 AM
To: Travers, Debbie
Subject: A couple of things

Dear Debbie:

Do you still want me to try to reschedule the next EN3202/03 Subteam meeting for Friday, 4/8?

Also, just a reminder to send me the Risk Management presentation electronically so that I can send it to the rest of the Claims Subteam.

Thanks.

Kris

Produced In Native Format

Endo Risk Management Strategy

• Global Issues

- Receptiveness of market to potent, chronic-use opioids has been dampened because of abuse and diversion issues with Purdue's OxyContin®, played prominently in the media
- FDA is treading water
 - No clear guidance to NDA sponsors
 - “Wait to see what they offer” approach



Physician Feedback

- **AAPM Advisory Boards – EN3202 & 3231**
 - Pain specialists / Policy makers
 - Clearly afraid of abuse and diversion:
 - “OxyContin® is a good drug marketed by an unethical company”
 - Advised Endo to be upfront about abuse potential and proactive with programs and tools to raise comfort level of prescribers
 - Educational programs
 - Tools to identify potential abusers
 - Registry studies
 - “Endo has the chance to do it right!”



EN 3202 Qualitative Market Research

- **Pain specialists, PCP's, oncologists, orthopedic surgeons, rheumatologists all cite less frequent use of OxyContin® because of media attention**
- **Most felt that educational programs (especially for PCP's) would be helpful in easing fears of prescribing, but would not be the sole factor in deciding which drug to prescribe**



Reality Check

- Endo is not the market leader
- Resources are limited relative to Purdue and Janssen

Requires selective development and implementation of high-impact, cost-effective tactics that are clearly identifiable to Endo and its educational efforts on the science of pain



Implications for ENDO

- The premier pain management company must address abuse and diversion issues up front and proactively
- Endo must market new opioids responsibly and be honest about abuse potential
- Opportunity to partner with key pain management policy makers



Implications for EN3202

- EN3202 has few points of distinction from OxyContin®; physicians indicate that they will probably used them interchangeably
- Potency is double-edged sword
- Fear of abuse and deterrence is one of the major barriers to rapid adoption of EN3202
- Physicians are looking for an alternative to OxyContin® because of the media attention and stigma. (Mel Gitlin – Tulane – “Doctors will prescribe this because it is not OxyContin®”



Implications for EN 3231

- **Abuse/diversion issues with EN 3231 are a concern, but to a lesser extent than with extended release formulations (e.g. OxyContin)**
- **Addressing the issues of abuse is a “price of entry” for EN 3231 and all new opioids**
- **For EN 3231, it is sufficient to be a “part” of the educational mix, not a focus**
 - Primary Focus: NMDA Enhanced Analgesia and the disease of pain



Corporate Strategy

- Establish Endo as the premier specialty pharmaceutical company and a leader in pain management
- Position Endo as a responsible marketer of opioid analgesics



EN3202 Strategy

- **Differentiate EN3202 from OxyContin®**
 - Lower doses of EN3202 needed for equivalent analgesia
 - Less escalation of dose with chronic use
 - Side effects
- **Create market environment prior to launch that ensures rapid uptake and adoption of EN3202**
 - Remove barriers – real and perceived - to prescribers
 - Alignment with key thought leaders and regulatory agencies on abuse and deterrence issues



EN 3231 Strategy

- **Establish the science of NMDA-Enhanced Analgesia and link to clinical benefits**
 - pathophysiological role in the disease of pain
 - link to elimination of tolerance, opioid-sparing effects
- **Develop ample EN 3231 product champions**
 - Recognize NMDA Enhanced Analgesia as an advance
 - Perceive Endo as a trusted partner
- **Enhance the EN 3231 product profile for both prescribers and payors**
 - Expand clinical program
 - Establish a pharmacoeconomic rationale
- **Establish EN 3231 as the new standard of care for the management of mod/severe chronic pain**
 - Based upon MOA, clinical benefits, and value



EN3202

Branding/Image/ Positioning

- **Branding not yet determined**
- **Positioning research underway**
 - Likely use in severe pain
 - Cancer
 - Severe OA
 - Severe back pain
 - Niches – Sickle Cell Disease / Interstitial Cystitis
 - Pain Specialists and Oncologists seem most receptive to product profile, but are clearly concerned about abuse and diversion
 - Topic comes up unaided in every interview as soon as potency and extended release are mentioned



EN 3231 Branding/Image/Positioning

- **The branding for EN 3231 is still under development**
 - Unique feeling proposition: *A Charismatic Agent of Change*
 - Pre-launch scientific exhibit reflects a "*new day*" in pain management
- **Preliminary Positioning (research ongoing)**
 - Target Audiences:
 - Pain Specialists, Oncologists, and PCP's and select others who prescribe opioids
 - Positioning Concept:
 - EN 3231 is the ***first and only opioid analgesic to provide NMDA receptor antagonism*** and is the new standard of care for the management of moderate to severe chronic pain
 - Customer Benefit:
 - EN 3231 will empower physicians to offer their patients the pain relief they need over the long-term to live happier, more productive lives



Key Messages for EN3202

- **Potent extended release opioids are an essential tool in the armamentarium of pain management**
- **EN3202 is a better alternative to OxyContin®**
 - Provides better control of pain at lower mg doses
 - Can be used for extended periods of time safely
 - EN3202 is part of the Endo oxymorphone family of products which have been safely used for treatment of pain for more than 40 years
- **EN3202 has the potential for abuse and diversion**
- **Endo works with the pain management community to develop educational programs and tools which help the prescribing physician to:**
 - Target appropriate patients
 - Recognize high risk patients
 - Recognize signs of abuse and diversion



EN 3231

Key Messages/Reasons to Believe

- EN 3231 prevents the activation of the NMDA receptor, which when activated plays an important role in the development of chronic and/or refractory pain
- Opioid-sparing: lower dose vs. traditional opioids to achieve necessary pain relief
- Tolerance: Unlike traditional opioids, little/no need to increase dose over time to achieve the same level of pain relief
- Reduced need for rescue medication compared to traditional opioids
- Significantly higher patient satisfaction (60% vs. 12% pre-study opioids)
- Well-tolerated with no “new” side effects and no dose-dependent side effects

Risk Management: Advocating the appropriate use of opioids

- Opioids are an important and necessary for million of patients with pain
- However, potential for abuse/diversion exists w/all opioids, including EN 3231
- Endo is committed to working with the pain management community to develop educational programs and tools which help the prescribing physician to:
 - Target appropriate patients
 - Recognize high risk patients
 - Recognize signs of abuse and diversion



ROI for EN3202

- Potential sales of EN3202 depend directly on prescribers' comfort level with risk of abuse and diversion
- Current preliminary forecast estimates potential sales of \$275-340MM
- Endo's revenues will be 50% of total sales due to partnership with Penwest
- Risk management tactics will have to be leveraged across other products to provide adequate ROI (EN3231/Percocet/Dex's)



ROI for EN 3231

- **Commercial potential is most dependent on the level of acceptance of the science of NMDA Enhanced Analgesia**
 - Linked to clinical benefits and EN 3231
- **Prescribers' comfort level with risk of abuse and diversion represents a relatively smaller risk to EN 3231 and is more closely correlated with risks generalized to opioids in general**
- **Current preliminary forecast estimates potential peak sales of \$450-500MM**
- **Risk management tactics will be incorporated as one part of larger marketing programs (e.g. symposia, CME)**



Timing

- **Pre-launch**

- Cultivate relationships with thought leaders who are well respected in the area of abuse and addiction (Portnoy/Passick)
- Incorporate risk management messages into all educational programs, but not as primary focus
- Develop tools which help the prescriber detect abuse and diversion
- Seek a seat at the policy making tables of key pain management organizations



Timing

- **Post Launch**

- Comply with the FDA's requirements for post marketing safety surveillance
- Roll out educational and patient tracking tools
- Be very visible as the “responsible marketer” of opioid analgesics with a proactive public relations campaign



Market Research

- **Abuse, addiction and diversion issues need to be explored with potential prescribers**
 - Routine agenda item at all advisory boards
 - (If we don't bring it up, they will)
 - Probe on effectiveness of Purdue program
 - Integral part of demand and positioning research
 - Thorough analysis and evaluation of existing high-profile competitor programs (e.g. Purdue's Partners Against Pain as well as others)



Risk Management Musts

- **Satisfy FDA Requirements**

- Post marketing safety surveillance
- Educational programs on appropriate use of EN3202 for physicians who prescribe
- Appropriate positioning and promotion of EN3202



Endo Late-Stage Opioids Risk Management Tactics

- **Pre-Marketing**

- Align with thought leaders and organizations who are interested in teaching appropriate use of strong opioid analgesics
- Inclusion of risk management message
 - EN 3202: all presentations
 - EN 3231: part of larger symposia
- Develop tools which help physicians identify high risk patients and recognize signs and behaviors associates with abuse and diversion (i.e., SOAP)



Endo Late-Stage Opioids Risk Management Tactics

- **Launch**

- Sales force trained on abuse and diversion issues and appropriate use for chronic pain
- Proactive roll out of educational programs and patient management tools (Avoid perception that this has been mandated by FDA/DEA)
- Abuse and diversion message for sales force
 - Balanced approach in all EN3202 details
 - Avoid claims of “less abuse potential” and focus on ability to use lower doses of opioid



Endo Risk Management Key Tactics

- **SOAP**
 - **Screening for Opioid Addiction Potential**
 - Questionnaire tool for assessing a patient's potential for developing addictive and drug seeking behaviors
 - Being developed in conjunction with NIH and NIDA by Inflexxion
- **Patient Registry**
 - **Prospective data collection on patient use of opioids, diseases being treated, patient satisfaction, etc. (Real world use of opioids)**
- **Endo Center for Pain Management**
 - **800 END-PAIN**
 - Support for product and general questions
 - Access to recognized guidelines
- **Patient Profiles in Pain**
 - Visualize the variety of situations encountered to advance assessment and management of Pain
 - Amortize through website, personal promotion, physician/patient brochures, symposia

